

STATE OF HAWAII  
DEPARTMENT OF LAND AND NATURAL RESOURCES  
Land Division  
Honolulu, Hawaii 96813

March 28, 2008

Board of Land and Natural Resources  
State of Hawaii  
Honolulu, Hawaii

PSF No: 08HD-044

Hawaii

Set Aside to County of Hawaii for Park, recreational, and ancillary purposes; and Cancellation of Revocable Permit No. **S-7165**; Waiakea, South Hilo, Hawaii, Tax Map Key: (3) 2-1-05:28

APPLICANT:

County of Hawaii ("County")

LEGAL REFERENCE:

Section 171-11, Hawaii Revised Statutes (HRS), as amended.

LOCATION:

Portion of Government lands situated at Waiakea, South Hilo, Island of Hawaii, identified by Tax Map Key: (3) 2-1-05:28, as shown on the attached map labeled **Exhibit A**.

AREA:

2.319 acres, more or less.

ZONING:

State Land Use District: Urban  
County of Hawaii CZO: Hotel-Resort; Special Management Area

TRUST LAND STATUS:

Section 5(b) lands of the Hawaii Admission Act

DHHL 30% entitlement lands pursuant to the Hawaii State  
Constitution: YES \_\_\_\_\_ NO x

CURRENT USE STATUS:

The property is currently used by the County for public parking under Revocable Permit 7165 from DLNR.

PURPOSE:

Park, recreational, and ancillary purposes.

CHAPTER 343 - ENVIRONMENTAL ASSESSMENT:

This action before the Board is merely a transfer of management jurisdiction and does not constitute a use of State lands or funds, and therefore, this action is exempt from the provisions of Chapter 343, HRS, relating to environmental impact statements. Inasmuch as the Chapter 343 environmental requirements apply to Applicant's use of the lands, the Applicant shall be responsible for compliance with Chapter 343, HRS, as amended.

APPLICANT REQUIREMENTS:

Applicant shall be required to:

- 1) Process and obtain subdivision approval at Applicant's own cost;
- 2) Provide survey maps and descriptions according to State DAGS standards and at Applicant's own cost;
- 3) Obtain a title report to ascertain ownership, where necessary, at Applicant's own cost and subject to review and approval by the Department.

REMARKS:

History of the Property. The property is the site of the former Orchid Isle Hotel, which was destroyed by fire in 1986. The property has since remained vacant and underutilized. Over the years, the site became overgrown with vegetation and attracted unauthorized entry and activities.

In recent years, the County of Hawaii ("County"), with assistance from the DLNR, made a concerted effort to clean up the site, removing overgrown vegetation and clearing the area to increase the visibility of the site and reduce unauthorized activities. The County currently holds a month-to-month revocable permit (RP 7165) from DLNR to use the site as an informal addition to the park, primarily as overflow parking for the park but also to secure easier access to its shoreline for swimming, fishing and other similar shoreline recreational uses. More recently, the County removed a large Kamani tree and repaired a seawall that had grown in such a manner as to create multiple safety hazards by slowly toppling the seawall it was adjacent to and creating an entrapment hazards with its roots where the seawall was simultaneously being undermined. The County continues to maintain the area in connection with the adjacent park.

County's Proposed Park Redevelopment Plan. The County is seeking to expand and redevelop the County's existing Reed's Bay Beach Park, which is located on lands adjacent to the subject property. The existing beach park is currently located on a 3.817-acre parcel, which is identified by TMK (3) 2-1-005:001. According to the County, the addition of the subject property would allow the County to enhance the attractiveness of the area, allow for a greater diversity of compatible uses, improve the safety of the beach, and preserve the water quality of the bay.

The significant improvements planned for the subject property are a new comfort station that will be connected to the municipal sewer, new seating areas, benches and pavilions, the removal of all unauthorized vehicular access, and new landscaping that will include new lawn areas and native plants and trees.

The Hilo area has a very limited amount of safe, public sand beaches to offer its residents and visitors and the set aside of the property would ensure the property remains available for public recreational use.

Alternative Uses. Due to the property's location within Hilo's Banyan Drive resort area and the property's current Hotel-Resort zoning designation, staff considered the potential for a new hotel development on the site, which included discussions with potential developers and hotel operators, and advertising the property on the Department's website. However, the Land Division has not received any serious interest.

Other Issues. The surrounding properties along Banyan Drive consist of several hotels, condominiums, and a nine-hole golf course that all operate under ground leases from DLNR. These properties represent the primary resort area in Hilo and are the subject of the proposed settlement with the Office of Hawaiian Affairs.

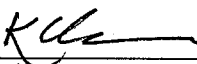
RECOMMENDATION:

That the Board, subject to Applicant fulfilling the Applicant Requirements above:

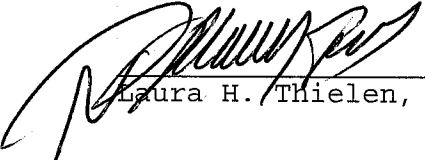
1. Approve of and recommend to the Governor the issuance of an executive order setting aside the subject lands to the County of Hawaii under the terms and conditions cited above, which are by this reference incorporated herein and subject further to the following:
  - A. The standard terms and conditions of the most current executive order form, as may be amended from time to time;

- B. Disapproval by the Legislature by two-thirds vote of either the House of Representatives or the Senate or by a majority vote by both in any regular or special session next following the date of the setting aside;
  - C. Review and approval by the Department of the Attorney General; and
  - D. Such other terms and conditions as may be prescribed by the Chairperson to best serve the interests of the State.
2. Cancel Revocable Permit No. ~~5~~7165 to the County of Hawaii upon issuance of the above executive order for the same property.

Respectfully Submitted,

  
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Keith Chun  
Planning and Development Manager

APPROVED FOR SUBMITTAL:

  
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Laura H. Thielen, Chairperson

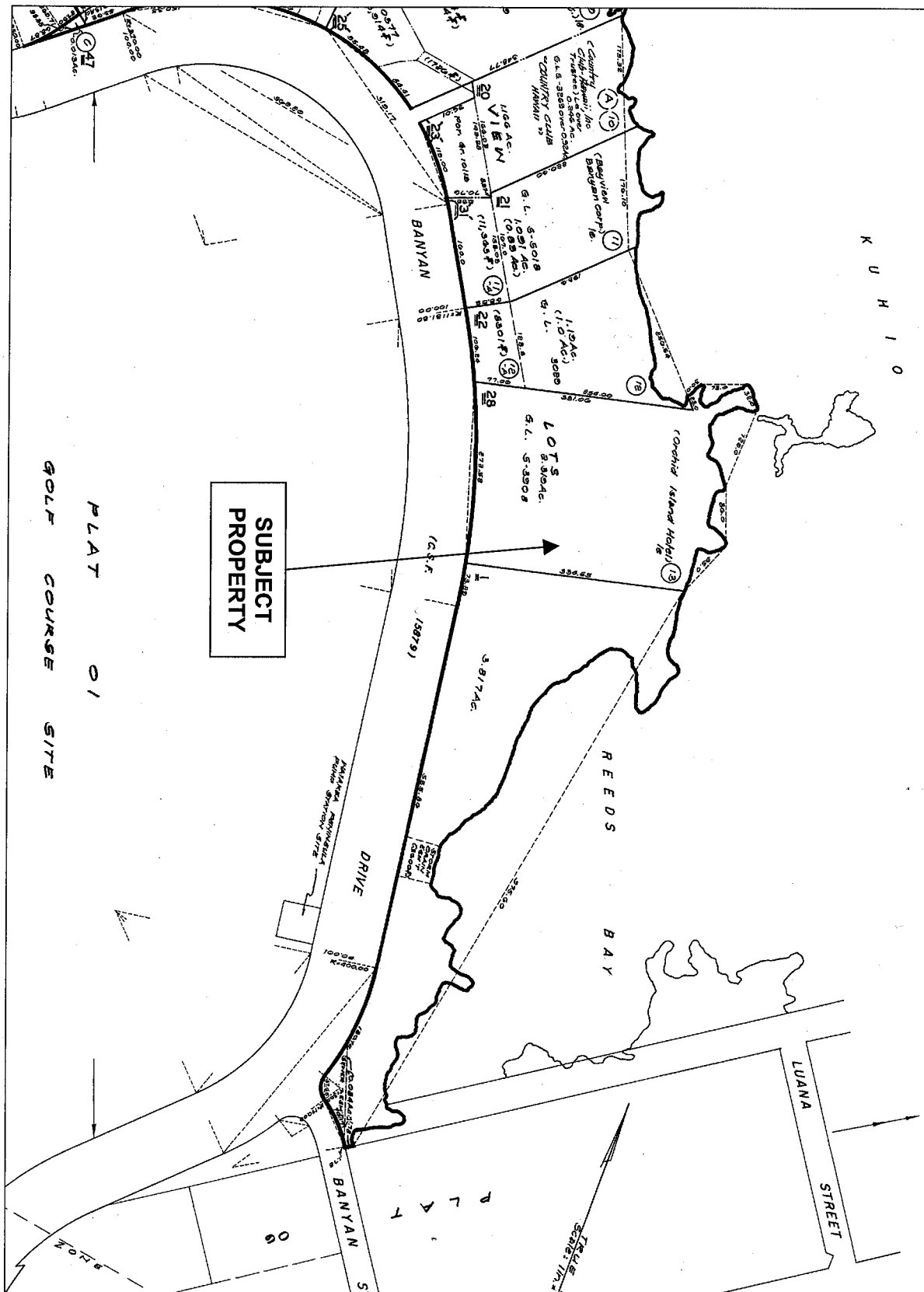


EXHIBIT A